

ITEL

December 11, 1985

JAN 6 1986
10-00

RECORDATION No. 14029-B Filed 1425

JAN 06 1986 -9 25 AM

INTERSTATE COMMERCE COMMISSION

Itel Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

6-006A035

Honorable James H. Bayne, Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Mr. Bayne:

Pursuant to 49 USC Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Itel Rail Corporation for filing and recordation under the Lease Agreement dated as of April 20, 1983, between Itel Corporation, Rail Division, as predecessor in interest to Itel Rail Corporation and McCloud River Railroad Company, which was filed with the ICC on May 27, 1983 and given ICC Recordation No. 14029, four (4) counterparts of the following document:

Amendment No. 1 dated November 4, 1985 to the Lease Agreement dated April 20, 1983, between Itel Corporation, Rail Division, and McCloud River Railroad Company

The names and addresses of the parties to the aforementioned are:

1. Itel Rail Corporation (Lessor)
55 Francisco Street, 5th floor
San Francisco, California 94133
2. McCloud River Railroad Company (Lessee)
P.O. Drawer A
McCloud, California 96057

The equipment covered by this Amendment is three (3) XM, steel boxcars bearing reporting marks MR 4041, MR 4080 and MR 4084, and forty-nine (49) XM, 70-ton, general purpose boxcars bearing reporting marks MR 7177-7225.

Please stamp all counterparts of the enclosed Amendment with your official recording stamp. Please retain one (1) counterpart of the document for your files and return the remaining three (3) counterparts to the bearer of this document.

Sincerely,

Denise M. Bottarini

Denise M. Bottarini
Senior Legal Assistant

DMB:ps

cc: Robert S. Clark
J. Michael Kelly
Ginny Hanger

#10.00
filing fee

JAN 6 1986
10-00

file me
14029-B

ASSIGNED TO FIRST SECURITY BANK
OF UTAH, N.A., TRUSTEE, UNDER
A LEASE ASSIGNMENT DATED
AS OF December 6, 1985

10/30/85

14029-B
RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 1

LESSOR'S INTEREST ASSIGNED TO
FIRST SECURITY BANK OF
UTAH, N.A., WITH RESPECT TO
CARS NUMBERED MR 7187-7225

THIS AMENDMENT NO. 1 (the "Amendment") to that certain Lease Agreement (the "Agreement") dated as of April 20, 1983 between ITEL Corporation, Rail Division and McCLOUD RIVER RAILROAD COMPANY ("Lessee") is made this 4th day of NOVEMBER, 1985 between ITEL RAIL CORPORATION, as successor in interest to ITEL Corporation, Rail Division, ("Lessor") and Lessee.

R E C I T A L S :

- A. Lessor and Lessee are parties to the Agreement pursuant to which three (3) boxcars bearing the reporting marks MR 4041, MR 4080 and MR 4084 (together with the boxcars on the Equipment Schedule attached hereto the "Cars") have been leased and delivered by Lessor to Lessee and seventy (70) boxcars from within the series MR 4000-4098 have not been delivered to Lessee ("Undelivered Cars").
- B. Lessor and Lessee desire to remove the Undelivered Cars from the Agreement and to add forty-nine (49) Cars bearing the reporting marks MR 7177-7225 to the Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree to amend the Agreement as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in this Agreement.
2. Equipment Schedule No. 1 to the Agreement is hereby deleted in its entirety and replaced by Equipment Schedule No. 1.A. attached hereto.
3. Equipment Schedule No. 2 attached hereto is hereby added to the Agreement.
4. With respect to the Cars on Equipment Schedule No. 2 only, the words "and shall expire as to all of the Cars described on each Schedule on November 15, 1993." in Subsection 2.A. of the Agreement are replaced by the words "and shall expire as to all of the Cars described on Equipment Schedule No. 2., one (1) year from the date on which the last Car on Schedule No. 2 was remarked (the "Initial Term")."
5. With respect to the Cars on Equipment Schedule No. 2 only, the words "at the end of the Initial Term or any Extended Terms" in Subsection 2.B. of the Agreement ("Subsection 2.B.") are replaced by the words "at any time" and the words "by written notice delivered to the other not less than twelve (12) months prior to the end of the Initial Term or any Extended Term." in Subsection 2.B. shall be replaced by the words "by not less than thirty (30) days' prior written notice to the other."

6. With respect to the Cars on Equipment Schedule No. 2 only, Subsection 7.A.(i) shall be amended by the addition of the following:
- ...
7. With respect to the Cars on Equipment Schedule No. 2 only, Subsection 7.C. of the Agreement is replaced by the following:
- "C. Lessee agrees to pay the following rent to Lessor for the use of the Cars:
8. With respect to the Cars on Equipment Schedule No. 2 only, Subsection 7.E. of the Agreement shall be deleted in its entirety.
9. With respect to the Cars on Equipment Schedule No. 2 only, the words "...shall at Lessor's expense, repaint and restencil the Cars..." in Section 10.A.(i) are replaced by the words "...shall at Lessee's expense, repaint and restencil the Cars..." and the sentence "Lessor shall bear the expense of repainting and restencilling the Cars." in Subsection 10.A.(ii) is replaced by the sentence "Lessee shall bear the expense of repainting and restencilling the Cars.".
10. Except as expressly modified by this Amendment, all terms and provisions shall remain in full force and effect with respect to all of the Cars subject to the Agreement.
11. This Amendment may be executed by the parties hereto in any number of counterparts and all counterparts taken together shall be deemed to constitute one in the same instrument.

ITEL RAIL CORPORATION

By: *D. Hayer*

Title: President

Date: 12-5-85

McCLOUD RIVER RAILROAD COMPANY

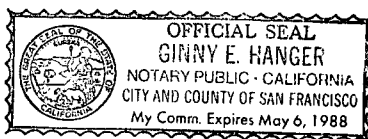
By: *Paul A. Zales*

Title: PRESIDENT

Date: 11-4-85

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

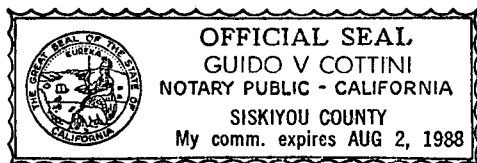
On this 5th day of December, 1985, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Ginny E. Hanger
Notary Public

STATE OF CALIFORNIA)
) ss:
COUNTY OF SISKIYOU)

On this 4th day of November, 1985, before me personally appeared Paul A. Zalec, to me personally known, who being by me duly sworn says that such person is President of McCloud River Railroad Company, that the foregoing Amendment No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Guido V. Cottini
Notary Public

EQUIPMENT SCHEDULE NO. 1.A.

Itel Rail Corporation hereby leases the following Cars to McCloud River Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 20, 1983.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Height	Doors Width	No. of Cars
				Inside Width	Width			
XM	Box, Steel, Nailable Steel Floor, Cushioned Underframe	MR 4041 MR 4080 MR 4084	50'6"	9'6"		10'7"	16' Double Sliding Doors	3

ITEL RAIL CORPORATION

By: AD Hayes

Title: President

Date: 12-5-85

MC CLOUD RIVER RAILROAD COMPANY

By: Paul A. Zales

Title: PRESIDENT

Date: 11-4-85